
TOO GOOD TO BE TRUE....

A Column on Consumer Issues

by Attorney General Wayne Stenehjem's
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DO NOT BUY IT IF IT IS FREE

You can save yourself a great deal of grief in today's complicated marketplace if you remember one rule of fraud prevention: you do not have to buy something -- or pay a fee -- to "win" a prize. Unfortunately, many companies use sweepstakes promotions to make you believe that your chances of winning improve if you buy something from them first.

Companies that are giving away free prizes must allow you to enter and have an equal chance of winning whether or not you buy any of their products. However, many consumers think they have a better chance of winning the sweepstakes contests if they buy something and return the entry. The truth is your chances of winning are far less than being struck by lightning! And buying something will not improve those odds.

More deceptive are companies that sell household or other products, usually at an inflated price, and also offer a companion contest for their customers to win. According to North Dakota law, a consumer does not have to buy something to enter a contest, yet many consumers believe they have a greater chance to win if they buy a few items. The literature put out by these companies often is less than clear, too, so you need to be careful and read all the fine print associated with any contests or promotions you enter. Some senior citizens in North Dakota have purchased tens of thousands of dollars in cheap merchandise in the vain hope that their purchases would put them closer to winning the top prize in a company's contest.

Under federal law, all written solicitations for sweepstakes offers must tell you truthfully:

- The odds of winning. If the odds are not known in advance, you must be told what factors will be used to determine the odds.
- That you do not have to purchase or pay anything to win or participate in the promotion.
- How to take part in the contest without buying or paying anything.
- What you will have to pay or the conditions you will have to meet to obtain or redeem a prize.

If a telemarketer is selling goods while also operating a sweepstakes promotion, the telemarketer must talk about the goods for sale first, and then talk about the prize. It is illegal under federal law to reverse the order of the presentation.

Don't be fooled by all of the rhetorical devices used by some sweepstakes pitchmen. Solicitations sometimes come in the form of what looks like a lucrative check in your name. Watch for bogus labels of "urgent" on the envelope or unscrupulous companies that have names that sound like official organizations.

Resist any sweepstakes company that insists you send money immediately to take advantage of an offer that will expire soon. This is a way to get you to act quickly so your money can be stolen before you have a chance to reconsider. Likewise, **never** disclose any bank or credit card information over the telephone to a company you do not know well. Call the Attorney General's office at 1-800-472-2600 to check the reputation of the company with which you are dealing.

Sweepstakes offers play to greed and dreams of personal fortune. Too often, the end result is a nightmare for your pocketbook.

The Attorney General's Consumer Protection Division investigates allegations of fraud in the marketplace. Investigators also mediate individual complaints against businesses. If you have a consumer problem or question, call the Consumer Protection Division at 328-3404, toll-free at 1-800-472-2600, or 1-800-366-6888 (w/TTY). This article and other consumer information is located on our website at www.ag.state.nd.us.

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